The purpose of this report is to fulfill the requirements in House Bill 1832, Section 32 (3) from the 2001 legislative session. Specifically, this subsection states:

> "By October 1, 2001, the Office of Financial Management must complete an assessment of watershed planning, including evaluation of the performance of both watershed planning units and state agencies involved in watershed planning. The office's assessment must address the progress of planning units toward completion of watershed plans and the use of funds provided by the state of Washington to planning units and state agencies for developing those plans. The assessment must include an assessment of the progress of planning units and the Department of Ecology in setting instream flows. The office must report the results of the assessment to the appropriate committees of the legislature and the governor."

OFM has completed an assessment and evaluation of the progress of local planning units in developing watershed plans, state agencies in supporting local plan development, and both planning units and the Department of Ecology (DOE) in setting instream flows. Information provided by DOE and other agencies that are directly involoved in watershed planning was the primary source of information used in developing this report.

In general, both local planning units and state agencies are progressing consistent with statutory timelines and requirements. Due to unique circumstances associated with each local watershed, the progress toward completion of plans is variable. The first round of plans are due for completion in the fall of 2003.

Office of Financial Management
State of Washington

With special thanks to:
WASHINGTON STATE DEPARTMENT OF ECOLOGY

TABLE OF CONTENTS

Executive Summary

In 1998, the legislature passed the Watershed Planning Act (RCW 90.82). This Act provides the framework and general process for developing and adopting local watershed plans.

Such plans are required to address water quantity by undertaking an assessment of water supply and use within the watershed. This includes recommending long-term strategies to provide water in sufficient quantities to satisfy minimum instream flows and to provide water for future out-of-stream uses.

Optional elements that may be addressed within the watershed plan include instream flows, water quality, and habitat.

Table 1 (see next page) provides an overview of the planning units currently engaged in watershed planning.

Progress of Local Planning Units

Forty of the 62 Water Resource Inventory Areas (WRIAs) within Washington State are currently conducting watershed planning under RCW 90.82.

This includes 31 planning units organized in both individual and multi-WRIA planning efforts. The Department of Ecology anticipates that three new planning units will be created this year.

Watershed planning and associated state funding is conducted in three phases:

- **Phase One** – Organizational Phase - $50,000 per WRIA or $75,000 for multi-WRIAs planning units.
- **Phase Two** – Assessment Phase – Up to $200,000 per WRIA to fund watershed assessments after the organizational phase is completed.
- **Phase Three** – Planning Phase – Up to $250,000 per WRIA for watershed plan development.

Watershed plans are due four years from when a planning unit draws upon Phase Two funding. The first round of plans is due to be completed in the fall of 2003.

All current planning units will have progressed passed the organizational phase this year, and 19 of the 31 will be actively in engaged in Phase Three plan development. Three of the planning units are reported to be progressing more slowly in completing the organizational phase and progressing onto Phase Two and Three.

These three planning units are facing challenges in finalizing the decision making process within the planning unit. However, it is unclear whether these delays will result in the planning units not meeting the due date for plan completion.

Table 1.

Status of Washington's Watershed Areas

This table provides information on each of the areas developing watershed plans.

The chart shows the intended scope of the plans, status, when plans are due, and the grant funding received over the last three fiscal years. *(Shading indicates planning units.)*

In addition to the chart, detailed information on activities in each planning unit can be found in the Appendix A.

Watersheds (WRIAs)	**Planning Scope**[=]	**Status**
WRIA 01, Nooksack	Quality, Flows, Habitat	Phase 2 & 3
WRIA 02, San Juan	Quality, Habitat	Phase 2 & 3
WRIA 03, Lower Skagit-Samish	Flows	Phase 2 & 3
WRIA 04, Upper Skagit	Flows	
WRIA 06, Island	Quality, Habitat	Phase 2
WRIA 07, Snohomish	Startup	NA
WRIA 11, Nisqually	Quality, Flows, Habitat	Phase 2
WRIA 12, Chambers-Clover	Quality, Habitat	Phase 2 & 3
WRIA 13, Deschutes	Quality, Flows, Habitat	Phase 2 & 3
WRIA 14, Kennedy Goldsborough	Startup	Moving to Phase 2
WRIA 15, Kitsap	Quality, Flows, Habitat	Phase 2
WRIA 16, Skokomish-Dosewallip	Startup	Moving to Phase 2
WRIA 17, Quilcene-Snow	Quality, Flows, Habitat	Phase 2 & 3
WRIA 18, Elwha-Dungeness	Quality, Flows, Habitat	Phase 2 & 3
WRIA 19, Lyre-Hoko	Quality, Flows, Habitat	Phase 2
WRIA 20, Soleduck-Hoh	Quality, Flows, Habitat	
WRIA 22, Lower Chehalis*	Quality, Habitat	Phase 2 & 3
WRIA 23, Upper Chehalis	Quality, Habitat	
WRIA 25, Grays-Elokoman	Quality, Flows, Habitat	Phase 2 & 3
WRIA 26, Cowlitz	Quality, Flows, Habitat	
WRIA 27, Lewis	Quality, Flows, Habitat	Phase 2 & 3
WRIA 28, Salmon-Washougal	Quality, Flows, Habitat	
WRIA 29, Wind-White Salmon	Quality, Flows, Habitat	Phase 2
WRIA 30, Klickitat	Quality, Flows, Habitat	Phase 1
WRIA 32, Walla Walla	Quality, Flows, Habitat	Moving to Phase 2
WRIA 37, Lower Yakima**	Quality, Flows, Habitat	Phase 3
WRIA 38, Naches	Quality, Flows, Habitat	
WRIA 39, Upper Yakima	Quality, Flows, Habitat	
WRIA 43, Upper Crab/Wilson	Startup	Phase 1
WRIA 44, Moses Coulee	Quality, Flows, Habitat	Phase 2
WRIA 50, Foster Creek	Quality, Flows, Habitat	
WRIA 45, Wenatchee	Quality, Flows, Habitat	Phase 2
WRIA 46, Entiat	Quality, Flows, Habitat	Phase 2
WRIA 48, Methow***	Quality, Flows, Habitat	Phase 2
WRIA 55, Little Spokane	Quality, Flows, Habitat	Phase 2
WRIA 57, Middle Spokane	Quality, Flows, Habitat	
WRIA 56, Hangman	Quality, Flows, Habitat	Phase 2
WRIA 59, Colville	Quality, Flows, Habitat	Phase 2 & 3
WRIA 60, Kettle	Startup	Phase 1
WRIA 62, Pend Oreille	Quality, Flows, Habitat	Phase 2 & 3
DOE Grant Admistration		
TOTAL		

Executive Summary

Plan Due	FY 99 Funding	FY 00 Funding	FY 01 Funding	Total Funding Provided as of June 30, 2001
Fall 2003	250,000		250,000	500,000
Fall 2003	47,706	180,000	62,500	290,206
Fall 2003	453,956	21,044	450,000	925,000
Spring 2005	47,706		150,030	197,736
Fall 2003	250,000			250,000
Fall 2004	47,706	407,294		455,000
Fall 2004	47,706	407,294		455,000
		45,000		45,000
Spring 2005		45,000	100,020	145,020
	47,706	2,294		50,000
Winter 2004	242,603	7,397	225,000	475,000
Fall 2003	242,603	232,397		475,000
Summer 2005		67,500	233,310	300,810
Winter 2004	453,956	803,163		1,257,119
Summer 2004	72,706	810,000	2,294	885,000
Summer 2004	75,000	38,148	771,852	885,000
Spring 2005		45,000	116,690	161,690
		368,336	81,664	450,000
			50,000	50,000
Fall 2003	672,706		445,000	1,117,706
			47,500	47,500
Fall 2004	72,706		360,000	432,706
Summer 2005		45,000	166,800	211,800
Fall 2003	190,309	66,691	14,250	271,250
Fall 2003	138,016	111,983	500,000	749,999
Winter 2004	460,204	14,796		475,000
Fall 2004		45,000	185,000	230,000
Fall 2004		450,000	5,000	455,000
			47,500	47,500
Fall 2004	47,706		405,000	452,706
	39,000	36,664	32,368	108,032
	$3,900,001	**$4,250,001**	**$4,701,778**	**$12,851,780**

= **Planning Units** have until December 1, 2001 to declare whether they intend to apply for funding to make instream flow recommendations.

This information represents Ecology's most current information.

* **The Chehalis planning effort** received $453,956 in Fiscal Year 1999. In Fiscal Year 2000, they changed lead agencies and returned $373,008 to the Department of Ecology. Ecology returned that money to the state General Fund.

Grays Harbor County applied for watershed planning funds in Fiscal Year 2000 on behalf of the Chehalis planning unit and was awarded funding for phase 2 and 3.

** **The Yakima Planning Unit** received a special legislative budget proviso for $85,000 in the 2000 Legislature. This was funded by watershed planning grant dollars.

*** **The Methow Planning Unit** received a special legislative budget proviso for $500,000 in the 2000 Legislature. This was funded by watershed planning grant dollars.

Through June 2001, nearly $12.9 million has been provided directly to these 31 planning units. An additional $11.1 million has been appropriated for grants to local planning units for the 2001-2003 Biennium.

Many planning units have indicated that the Phase Two funding for watershed assessment is inadequate to quantify water availability and use within the basin. This may make it difficult to reach agreements for final watershed plans, and for plan implementation.

It is also important to note that no funding has been identified for plan implementation (Phase Four). The Department of Ecology is currently working with stakeholders to identify funding options for plan implementation, and will provide a report to the Governor and legislature in the fall of 2002.

State Agency Participation in Watershed Planning

The Watershed Planning Act requires state agencies to "…assist the local citizens in the planning effort to the greatest extent practicable, recognizing any fiscal limitations." The Act further indicates that state agencies may organize to agree upon their representation during the planning process.

State technical assistance is only to be provided at the request of the local planning unit. State agency participation on the local planning unit is determined by the initiating government in consultation with the Governor's Office.

In response to the Act, all of the state's natural resource agencies developed and signed a memorandum of understanding on how to coordinate their watershed planning and salmon recovery activities (Appendix B).

Each agency has identified a statewide lead staff person to represent the agency. This group of agency contacts, referred to as the Statewide Leads, meets regularly to discuss coordination issues and to assign regional staff to sit at the local watershed caucus of state agencies.

Ecology is the state lead on all planning units representing the state. Local planning units have formally requested state agency representation in their letters to the Governor as follows:

- Thirty have requested Department of Ecology (DOE) representation
- Twelve have requested Department of Fish and Wildlife (WDFW) representation
- Six have requested Department of Natural Resources (DNR) representation
- Four have requested Department of Agriculture (DOA) representation
- One has requested representation from the Governor's Salmon Recovery Office (GSRO), Department of Transportation (DOT), and Conservation Commission (CC)

Table 2.

Grant and Technical Assistance Funding

Biennium	Grants to Local Planning Units	State Agency Technical Assistance and FTE's
1997-1999	$3.9 Million	$1.12 Million (16.2 FTE)
1999-2001	$9.0 Million	$4.54 Million (31.3 FTE)
2001-2003	$11.1 Million	$5.56 Million (35.0 FTE)

This table includes both historic expenditures and appropriations included in the 2001-2003 Biennium budget.

Table 2 provides an overview of the state agency resources committed to supporting watershed planning.

Additional management and staff support resources are also likely utilized to support these agencies efforts, but these indirect costs are not captured here.

In addition to attending statewide lead and local state caucus meetings, agency staff have provided supporting analysis to assist local watershed planning units (e.g. limiting factors analysis, watershed manuals, etc.), and have directly participated in numerous local planning unit meetings.

This has included providing overviews of state agency programs, requirements, and available information, as well as specific technical information or guidance (e.g. instream flow setting).

Instream Flow Setting Progress

Instream flows are scientifically based surface water flows set by administrative rule to ensure that adequate water remains in a river for fish and other instream values.

Once adopted, an instream flow rule acquires a priority date similar to that associated with a water right.

Water rights, existing at the time the instream flow is adopted, are unaffected by the rule and those issued after the rule adoption are subject to the requirements of the instream flow rule.

Historically, the Department of Ecology has developed instream flow rules by coordinating with stakeholders and going through the rule development process.

With the passage of the Watershed Planning Act and HB 1832, instream flow setting recommendations may now be done as part of the local watershed planning process (if this optional element is addressed).

It is too early in the watershed planning process to definitively determine or quantify the progress Ecology and local planning units are making in setting instream flows.

House Bill 1832 states that by "December 1, 2001 or within one year of initiating phase one of the watershed planning, whichever occurs later, the initiating governments must inform Ecology whether they intend to have the planning unit establish or amend instream flow as part of its planning process."

As part of the current biennium budget, $2.1 million has been provided for local planning units to address optional planning elements, and the instream flow element has been identified as the priority for funding.

House Bill 1832 states that if the planning unit elects not to establish or amend instream flow as part of the planning process, the Department of Ecology shall retain $100,000 to carry out an assessment to set instream flows.

However, Ecology expects that there will be approximately 30 WRIAs that will request $100,000 for making instream flow recommendations. This will surpass the $2.1 million provided for this work.

After the December 1, 2001 deadline most of the planning units will be required to inform Ecology whether or not they will be making instream flow recommendations.

After this occurs and the planning units receive state funding for this purpose, it will become easier to measure the progress of planning units and DOE in setting instream flows.

Background

The purpose of this report is to fulfill the requirements in House Bill 1832, Section 32 (3) from the 2001 legislative session.

> ***"By October 1, 2001,*** the Office of Financial Management must complete an assessment of watershed planning, including evaluation of the performance of both watershed planning units and state agencies involved in watershed planning. The office's assessment must address the progress of planning units toward completion of watershed plans and the use of funds provided by the state of Washington to planning units and state agencies for developing those plans. The assessment must include an assessment of the progress of planning units and the Department of Ecology in setting instream flows. The office must report the results of the assessment to the appropriate committees of the legislature, and the governor."
>
> —HB 1832, Section 32(3)

In 1998 the legislature passed the Watershed Planning Act (RCW 90.82). The Act provides a framework for developing local solutions to water issues on a watershed basis.

Framed around watersheds or sub-watersheds known as Water Resource Inventory Areas (WRIAs), the comprehensive watershed planning process is designed to allow local citizens and local governments to join with tribes to form watershed management planning units to develop watershed management plans.

State agencies provide technical assistance and if requested serve on the planning units.

Planning units organized under the legislation are required to do a detailed assessment of the planning area's current water supply and use and recommend long-term strategies to provide minimum water for fish and for out of stream uses.

The planning units may also choose to develop strategies for improving water quality, for protecting or enhancing fish habitat, and, in collaboration with the Department of Ecology (DOE), may set minimum instream flows.

Funding is available in three phases:

Phase One, the organizational phase. Initiating governments (through a designated lead agency) may apply for an initial organizing grant of up to $50,000 per WRIA or $75,000 for a multiple WRIA.

Phase Two, the assessment phase. Once the organizational phase is completed, a planning unit may apply for up to $200,000 per WRIA to fund watershed assessments.

Phase Three, the planning phase. A planning unit may also apply for up to $250,000 per WRIA for the development of a Watershed Management Plan.

Watershed plans are due four years from when the planning unit draws upon Phase Two funding.

Watershed planning under RCW 90.82 is voluntary and if conducted is required at a minimum to address water quantity.

The ***minimum*** performance requirements in the current grant agreements issued by Ecology are:

Phase One Organization

- ***Initiating governments*** *will identify and appoint the planning unit members that represent a wide range of water resource interests.*
- ***Operational*** *and decision-making structures and goals for the planning unit will be developed.*
- ***Ground rules*** *for decision-making will be adopted.*
- ***A detailed scope of work*** *for Phase Two assessment will be adopted.*

At a minimum, each planning unit is required to provide the following information with their Phase Two assessment funds:

Phase Two Assessment

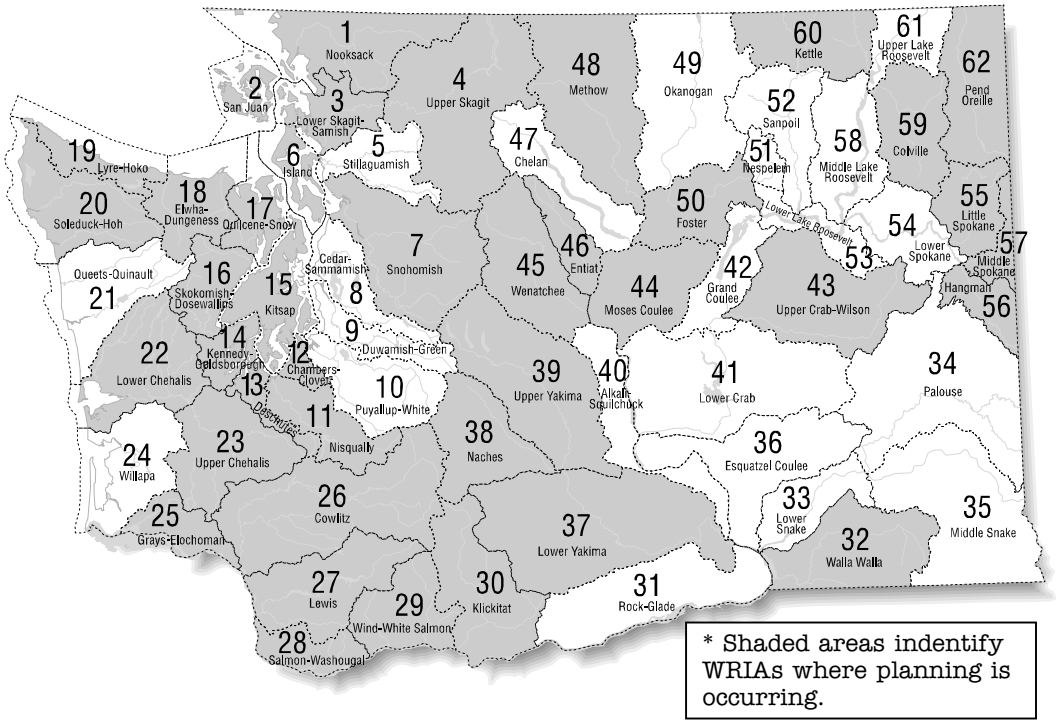
- *Estimate of the surface and ground water present in the management area.*
- *Estimate of the surface and ground water available in the management area, taking into account seasonal and other variations.*
- *Estimate of the water in the management area represented by claims in the water rights claims registry, water use permits, certificated rights, existing minimum instream flow rules, federally reserved rights, and any other rights to water.*
- *Estimate of the surface and ground water actually being used in the management area.*
- *Estimate of the water needed in the future for use in the management area.*
- *Identification of the location of areas where aquifers are known to recharge surface bodies of water and areas known to provide for the recharge of aquifers from the surface.*
- *Estimate of the surface and ground water available for further appropriation, taking into account the minimum instream flows adopted by rule or to be adopted by rule under this chapter for streams in the management area including the data necessary to evaluate necessary flows for fish.*

At a minimum, planning units in Phase Three Plan Development are required to:

Phase Three Plan Development

- ***Develop a watershed plan*** *that includes strategies to supply water in sufficient quantities to satisfy the minimum instream flows for fish and to provide water for future out of stream use.*

Water Resource Inventory Areas*



* Shaded areas indentify WRIAs where planning is occurring.

Watershed Funding

Washington State has a total of 62 WRIAs (See state map above showing WRIA locations).

Currently, 40 WRIAs, represented by 31 planning units, are engaged in watershed planning. Out of these 40, all will have moved on to Phase Two assessment activities this year and 19 will be working on developing plans. The first round of plans will be due in the fall of 2003.

Through June 2001, nearly $12.9 million state General Fund has been provided to these 40 WRIAs to support the development of watershed plans (Table 1). A total of $24 million is projected to be made available through June 2003.

Additionally, state agencies have spent approximately $5.7 million through June 2001 ($11.2 million projected through June 2003).

The Planning Process

Phase One organization will be complete in all of the existing planning units this fiscal year and there is likely to be at least three new planning units created this fiscal year according to the Department of Ecology.

With the exception of three existing planning units, the majority are progressing and have completed draft assessments.

Nineteen planning units have begun plan development.

Those that have taken longer to progress have been dealing with a variety of issues such as:

Extra time spent developing legal agreements to secure tribal involvement.

Difficulty working out how to make consensus decisions.

Distractions associated with trying to secure other funding such as salmon recovery funds.

In addition to existing grant funding, with the passage of HB 1832 and 2001-2003 operating budget, Ecology will now offer three additional grant opportunities to these planning units.

Specifically $2.1 million is available to provide additional support for:

- Making instream flow recommendations.
- Addressing the optional water quality component.
- Multipurpose water storage assessments.

Ecology now has authority to provide up to $100,000 for each activity in each WRIA.

As specified by the legislature in HB 1832, Ecology must fund instream flow activities as a top priority:

> "In administering funds appropriated for supplemental funding for optional plan components under (a)(ii) of this subsection, the department shall give priority in granting the available funds to proposals for setting or amending instream flows."
>
> HB 1832

Ecology has distributed the grant applications for these activities to each of the planning unit lead agencies; the deadline for submitting the first round of instream flow applications is October 1, 2001.

December 1, 2001 is the deadline set in HB 1832 for existing planning units to decide whether they will develop recommendations for instream flows as part of the watershed plan. Additional instream flow applications will be solicited after this date.

Funding to support water quality and multipurpose water storage assessment will be dependent on the availability of uncommitted funds.

Watershed Planning Grant Process and Administration

Since the establishment of watershed planning, DOE has provided "up front" funding to watershed planning units. Based on recent audit findings of other grant programs the agency made a business decision to have these grants funded on a cost reimbursement basis.

The audit of other programs indicated that DOE was lending the state's credit by providing up front grants for their Air Quality program. All grant recipients are now required to bill after incurring costs. This is a significant shift for the lead agencies.

As a result, DOE and the lead agencies seeking funding this fiscal year are spending a considerable amount of time reworking the scopes of work they submitted with their applications for funding this fiscal year. This has resulted in a delay in getting funding out to planning units.

RCW 90.82 allows DOE to retain "up to 1% of the grant funds to defray administrative costs."

DOE has used these resources to develop the Draft Guide for Watershed Planning and Management, complete an assessment of non-governmental organizations engaged in watershed planning, conduct annual watershed planning workshops, and conduct a regional workshop in the Entiat basin on Instream flow.

This money was also used to pay for routine administrative costs associated with producing and distributing outreach material for planning units. DOE has utilized this 1% administrative funding in each of the fiscal years below:

FY 99	$39,000
FY 00	$36,664
FY 01	$32,368

Finally, the legislature also provided $1.014 million from the WQA "for the development of a State Environmental Policy Act template to streamline environmental review, creation of blue ribbon panel to develop long-term watershed planning implementation funding options, and technical assistance."

Assessment of Potential Issues

Based on planning units' feedback to Ecology, the funding provided to do an assessment of water available appears to be insufficient for some of the more complex WRIAs (dependent upon existence and availability of data). This may result in the following:

1. Very general water quantity assessments that will not be able to meet planning goals or needs.
2. Some groups will focus their activities in a sub area of the water resource inventory area instead of the whole WRIA in an effort to get the data needed to meet planning goals.

Other challenges and difficulties identified related to watershed planning include:

Reaching resolution on disparate views and values related to watershed management

Obtaining local political will to enact watershed plans

Obtaining adequate funding for plan implementation and for setting instream flows

Gathering information where data gaps have been identified

Limitations in existing state water law which inhibit creative local solutions

Timeline constraints to fully address planning issues

Local biologist unavailable for local planning unit meetings

Confusion associated with integration of watershed planning with: growth management planning, water system planning, sewer planning and salmon recovery efforts

Inability of state agency staff to fully participate in local processes

Water management work in Washington State is inherently complex and contentious.

Additionally, lack of water resource and other data is also a challenge in some WRIAs. These factors will complicate some of the planning units work, and may result in delays in plan completion and difficulty in plan implementation.

Role of State Agencies

The Watershed Planning Act allows state agencies to organize to:

- Ensure that agencies are represented during the planning process, whether or not they are able to sit at the table.
- Coordinate efforts to provide assistance to the planning unit.

All of the state's natural-resource agencies developed and signed a memorandum of understanding on how to coordinate their watershed planning and salmon recovery activities (Appendix B).

Each agency identified a statewide lead (staff person to represent the agency) for implementing watershed planning and salmon recovery.

This group of agency contacts, referred to as the Statewide Leads, meets regularly to discuss coordination issues and to assign regional staff to sit at the local watershed caucus of state agencies.

Table 3 below represents the financial resources and FTE's that agencies have committed to watershed planning activities under the Watershed Planning Act (RCW 90.82).

Table 3.

AGENCY	97-99 Biennium	99-01 Biennium	01-03 Biennium	Total
DOE*	$1,100,000 -$825,000 DOE -$69,000 DOH -$206,000 DFW 16 FTE - 12 DOE - 3 DFW - 1 DOH	$2,900,000 -$2,461,000 DOE -$144,000 DOH -$295,000 DFW 21 FTE - 18 DOE - 2 DFW - 1 DOH	$3,900,000 -$3,377,000 DOE 43,000 DOH 30,000 DFW 24 FTE - 20 DOE - 3 DFW - 1 DOH	$7,900,000
DOT	0	$439,000 1.8 FTE	$501,000 1.8 FTE	$940,000
WDFW	$0 -$206,000 from DOE 0 FTE -3 FTE from DOE	$420,000 -$295,000 from DOE 3 FTE -2 FTE from DOE	$420,000 -$380,00 from DOE 3 FTE -3 FTE from DOE	$840,000
DOH	$18,000 -$69,000 from DOE 0.2 FTE - 1.0 FTE from DOE	$18,000 -$144,000 from DOE 0.2 FTE - 1.0 FTE from DOE	$18,000 - $143,700 from DOE 0.2 FTE - 1.0 FTE from DOE	$54,000
DOA	0	$240,000 1.7 FTE	$240,000 1.7 FTE	$480,000
DNR	0	$300,000 1.5 FTE	$200,000 1.0 FTE	$500,000
GSRO	0	$117,000 0.9 FTE	$195,000 1.5 FTE	$312,000
PSWQAT	0	$46,000 0.5 FTE	$46,000 0.5 FTE	$92,000
CC	0	$40,000 0.25 FTE	$40,000 0.25 FTE	$80,000
OCD	0	$23,000 0.3 FTE	$1,500 0.02 FTE	$24,500
TOTAL	**$1,118,000**	**$4,543,000**	**$5,561,500**	**$11,222,500**

Note: DOE has provided funding through an intergovernmental agreement to DOH and DFW since the 97-99 Biennium. Because the funding is appropriated to DOE, the dollars and FTE's are included in their totals. Totals listed for DOH and DFW do not include the funding provided to them by DOE.

It is important to note that many agencies do not specifically track watershed planning technical assistance expenditures, and this information represents their best estimates.

It is also important to note that several of these agencies carry out other activities (e.g. development of technical assistance materials specific to their programs or salmon recovery) that, while not specifically designed to support watershed planning, do provide information and assistance to local watershed planning units.

Out of the 30 planning units that are meeting on a regular basis, 29 have sent letters to the Governor requesting specific agencies to sit on the planning unit. The Department of Ecology (DOE) is the state lead in each of these cases representing the state on the planning unit.

Out of these planning units: all have requested DOE representation, 12 have WDFW representation, 6 have representatives from DNR, 4 have DOA, the DOT, the CC, and the GSRO have a representative on 1 planning unit.

DOE Participation, Technical Assistance and Support

The Department of Ecology continues to organize and hold quarterly meetings of the statewide caucus on coordinating watershed planning and salmon recovery and DOE's watershed leads continue to coordinate with other agency staff assigned to the local watershed caucus.

Table 4 provides an overview of DOE resources related to watershed planning.

Table 4.

DOE Resources Committed to Watershed Planning

Biennium	Resources provided by Legislature
97-99	$3.9 M pass through to locals $1.1M technical assistance (Ecology provided 3 FTEs to WDFW and 1 to DOH left Ecology with 12 FTEs)
99-01	$ 9 M pass through to locals $ 2.9 technical assistance (Ecology provided 2 FTE to WDFW and 1 to DOH left Ecology with 18 FTEs)
01-03	$11.1 pass through to locals $3.9M technical assistance (Ecology provided 3 FTEs to WDFW and 1 to DOH left Ecology with 20 FTEs). This technical assistance money also supports a programmatic EIS for a generic Watershed Plan and funding for the Phase 4 implementation panel.

In addition to the resources identified in Table 4, DOE has organized to coordinate all water programs on a watershed basis. Each of the agencies water programs works directly with these dedicated staff to coordinate planning unit technical assistance.

Out of the 20 dedicated Ecology FTEs for watershed planning in the 01-03 Biennium:

- Fourteen FTEs are providing direct technical assistance to the 31 planning units and they represent DOE and the other state agencies at the watershed planning table. These staff not only assist the planning unit but are required to keep all of the other resource agencies informed on watershed planning activities.
- Two FTEs coordinate the program, addresses policy issues, issue/manage grants and the budget.
- Three FTEs specifically support the planning units on instream flow issues. There is a flow technician, a fish biologist/flow scientist and an instream flow rule writer.
- DOE was just provided funds to hire one addition employee to specifically assist planning units with hydrological issues. This FTE will be located in the Spokane office.

In addition to the dedicated staff, there are other management resources that are being spent to support watershed planning.

There is also many other technical staff that participates on the many specific planning units technical committees (flow, water quality, habitat) and by reviewing and commenting on technical products produced by the planning units.

DOE Resources Provided to Other Agencies to Support Watershed Planning

The Department of Health (DOH) along with The Department of Fish and Wildlife (WDFW) have a contract with DOE to provide assistance and support to watershed planning efforts. DOH received $143,700 for Fiscal Years 2000 and 2001 and $143,700 for Fiscal Years 2002 and 2003 to support watershed planning.

WDFW received $205,734 for Fiscal Year 1999 and $295,478 for Fiscal Years 2000 and 2001.

DOE and WDFW are still negotiating the scope of work for $380,478 for Fiscal Years 2002 and 2003.

The scope of work has changed to reflect the instream flow funding that will be provided to planning units and the role that WDFW will need to play. The scope of work currently has three specific activities identified:

1. **Technical assistance** to the planning units as they develop their scope of work for the instream flow study, conduct their study and negotiate flows.

2. **Provide written comments** to DOE and the Planning Unit on the scope of work for the instream flow study, the instream flow study and negotiated flows.

3. **Technical assistance** to planning units on habitat issues.

DOE expects to fund up to 30 grant applications to develop instream flow recommendations. This could mean that there will be 30 instream flow recommendations to put into rule at about the same time. Currently the agency has one instream flow rule writer.

Additional resources in this area will be needed for this to be completed in a timely manner.

DOH Participation, Technical Assistance and Support

The Department of Health has committed one FTE to support Watershed Planning through a series of interagency agreements with DOE.

These resources have been used to develop an internal process for coordination with DOE and Planning Units, develop technical assistance packages for agencies and planning unit, provide requested public water system data to planning units, and participate with activities of priority planning units and state caucuses.

Additional resources are committed to provide overall statewide coordination of the DOH activities related to watershed planning and to provide planning and engineering technical assistance to planning units when requested.

Additional resources committed to watershed planning are not tracked as these activities are absorbed into the normal staff functions. A conservative estimate would be 0.2 FTE.

The figures provided below in Table 5 are estimates based upon DOE/DOH contracts for support of Watershed Planning plus 0.2 FTE at the EP3 (Range 55) level averaged over the period in question and projected through current biennium.

Table 5.

DOH Resources and FTE's dedicated to watershed planning

Agency	1997-1999 Biennium	1999-2001 Biennium	2001-2003 Biennium	Total
DOH Resources	$18,000 (0.2 FTE)	$18,000 (0.2 FTE)	$18,000 (0.2 FTE)	$54,000
DOE Funding	$68,750 (1.0 FTE)	$143,700 (1.0 FTE)	$143,700 (1.0 FTE)	$356,150
TOTAL	$86,750	$161,700	$161,700	$410,150

Technical Assistance Provided by DOH to DOE and Planning Units:

Prepared and distributed DOH Technical Assistance Materials

Participated as advisory committee member for Watershed Planning Guidance Manual and Manual Addendum

Developed Watershed Planning data package and provided water systems data in support of approximately six watershed planning efforts

Participated as active members of two planning units. This does not include temporary participation as a planning unit member during start-up of the Island WRIA process

Participated in five planning units as active members of the State Agency Caucus. This does not include participation with initial activities of the Yakima and Upper Columbia planning efforts

Monitored activities of 12 planning units and participated when requested or needed. Planning Units Receiving Technical Assistance

Specific technical assistance was provided to the following planning units:

Upper and Lower Chehalis - Participated in data workshops during initial assessment and ongoing consultation regarding public water system infrastructure needs within the basin

Upper and Lower Columbia - Presented workshop on DOH conservation and reuse programs

Nooksack - Participated in interagency process to determine appropriate approach to groundwater contamination issues

Deschutes - Ongoing consultation with Thurston County regarding coordination of water utility planning

Island - Active participation during initial phases to assist with planning unit organization and startup. Ongoing consultation on seawater intrusion issues

Elwha - Coordination of efforts through the water supplier's caucus to the planning unit on technical issues related to water utility impacts of the Elwha dam removal

Kitsap - Ongoing coordination through the Water Utility Coordinating Council on integration of watershed planning efforts and concurrent process of updating the county's Coordinated Water System Plan

Spokane - Active participation with planning unit and state caucus efforts

Latah Creek - Active participation with planning unit and state caucus efforts

Walla-Walla - Ongoing consultation related to public water systems and drinking water quality

Currently, DOH resources seem adequate to respond to specific requests for information and assistance. Future concerns relate to the agency's ability to adequately review plans as they are developed and provide adequate feedback on those plans to DOE Watershed leads.

WDFW Participation, Technical Assistance and Support

The Habitat Program of the Department of Fish and Wildlife (WDFW) participates in watershed planning in two primary arenas: by contributing to instream flow studies and recommendations, and by providing technical assistance through the Watershed Stewardship Team to watershed planning units. Of these two arenas, only the study of instream flows is supported specifically by Watershed Planning Act funds.

Instream Flows

The purposes of the instream flow section of the Habitat Program's Science Division are to determine how water flows in streams affect fish habitat, and to provide technical assistance on the establishment of instream flows to watershed planning units and other entities working to manage water, stream flow, and fish habitat. Three FTEs with DOE funding were assigned to this effort 1998, but one of these positions was eliminated in the subsequent biennium. Currently, DOE supports 3 FTEs with funding in the amount of $380,478 for watershed planning at WDFW. The instream flow scientists have:

- Conducted instream flow studies in a number of river basins, including the Walla Walla, Chehalis, and Cowlitz river basins;
- Provided technical guidance on instream flow studies conducted for watershed management planning in other river basins, including the Samish and Nooksack;
- Contributed to the first instream flow establishment in Washington by rule since 1986 and the first explicitly for an estuary (Skagit River);
- Conducted reconnaissance instream flow evaluations of the San Juan Islands;
- Provided technical presentations to watershed management planning units, including the northwest Olympic Peninsula; Elwha, Morse Creek, and Dungeness rivers; Columbia Gorge; and the Walla Walla, Colville, and Pend Oreille basins;
- Provided technical assistance for Habitat Conservation Plans for mid-Columbia tributaries, particularly in the Methow River system;
- Worked with the Instream Flow Council, an international organization of instream flow specialists, to develop guidelines for managing instream flows;

- Worked with hydroelectric utilities to resolve instream flow and ESA fish passage issues on the Cowlitz River;
- Began research to integrate riparian land use, water quality (temperature), and instream flow.

Technical Assistance through the Watershed Stewardship Team

Although WDFW formed the Watershed Stewardship Team (WST) to help Lead Entities address salmon protection/recovery, under the Salmon Recovery Planning Act (RCW 77.85) some assistance is also given to watershed planning units.

The WST comprises 15 biologists who provide technical assistance to 25 Lead Entities, 15 or more watershed planning units, and 15 Regional Fisheries Enhancement Groups. Funding comes from the state General Fund.

With respect to watershed planning, WST biologists participate in meetings of planning units. They serve on or provided assistance to technical committees, participate in the issuance of project-related permits, and develop project and grant proposals for local watershed planning units.

Collectively, the WST biologists contributed approximately 3.0 FTEs (representing approximately $420k/biennium) to watershed planning efforts in the '99-'01 and '01-'03 biennia.

Table 6.

WDFW FTEs and Funds devoted to watershed planning

	'97 – '99	'99 – '01	'01 – '03
DOE-funded FTEs	3	2	3
DOE funds	$206,000	$295,000	$380,478
WDFW-funded FTEs (WST)		3	3
WDFW WST funds		$420,000	$420,000
Total FTEs	3	5	6
Total Funds	$206,000	$715,000	$800,478

DOT Participation, Technical Assistance and Support

The Washington State Department of Transportation (DOT) is involved in many different watershed-based activities associated with state transportation efforts.

This includes efforts directly associated with planning under the Watershed Planning Act (RCW 90.82). One planning unit has requested that DOT staff formally participate as a member.

The summary below describes these various activities and the DOT "watershed approach" to conducting their business and those potential or direct linkages to local planning units and their work in developing watershed plans.

Watershed-based approach to transportation project delivery

The department applies a watershed-based approach to the environmental aspects of transportation project delivery.

This approach includes permit process streamlining, fish passage improvements, stormwater programs, floodplain management, alternative mitigation strategies, and wetland banking.

It relies upon watershed-based data to make informed and comprehensive environmental decisions that lead to transportation improvements as well as increased environmental benefit. This approach is coordinated wherever possible with the Watershed Planning Act process.

Table 7.

DOT Resources and FTE's dedicated to watershed planning

Activity	1997-1999 Biennium	1999-2001 Biennium	2001-2003 Biennium	Total
Staff	0	$266,400 (1.8 FTE)	$266,400 (1.8 FTE)	$532,800
Chehalis Basin Flood Data Acquisition and Research	0	$153,000	$215,000	$368,000
Naches Basin Flood Data Acquisition and Research	0	$20,000	$20,000	$40,000
TOTAL	0	$439,400	$501,400	$940,800

The department's watershed approach, coordinated and disseminated by the Watershed Program, is a major component of the agencies environmental investment strategy and permit streamlining process.

DOT is moving toward using watershed-based mitigation, including off-site and/or out-of-kind mitigation, and advance mitigation (mitigation completed in advance of construction), wherever it has benefits to the environment.

As part of the process of identifying candidate projects for off-site and advance mitigation, DOT hopes to incorporate the lists of priority projects created by the watershed planning units and the unfilled funding requests submitted to other infrastructure funding agencies.

The Watershed Program

The Watershed Program is an interdisciplinary team of specialists. The team includes a team lead, a watershed coordination specialist (closely aligned with watershed and salmon recovery activities and efforts in other agencies), a mitigation expert, a flood expert, a stormwater engineer, a stormwater policy specialist, and an environmental data expert. In addition to these seven positions, two environmental interns are currently working with the Program.

The Watershed Program and other DOT staff participate in the activities of watershed planning units in watersheds where DOT is a major player. Currently this includes the Nisqually, Chehalis, and Wenatchee watersheds, as well as watersheds not engaged in watershed planning along the I-405 corridor and the Straits of Juan de Fuca.

"Environmental Investment Strategy"

"Environmental Investment Strategy" is a methodology intended to ensure that transportation projects have an overall benefit to the environmental quality in the watersheds where they occur, while reducing costs to the taxpayer.

The strategy accomplishes this by a comprehensive use of watershed-based data, an inventory of identified environmental needs, careful review of transportation mitigation obligations, and funding partnerships with local groups such as watershed planning units and salmon recovery groups.

By connecting compensatory mitigation needs with watershed restoration needs, DOT can achieve both enhanced project delivery and environmental benefits. This strategic approach results in net benefit to the environment and net cost savings when compared to traditional (on-site, concurrent) mitigation.

Examples of watershed efforts

Below are examples of watershed efforts that are currently underway at DOT:

Part of the effort to implement the **Environmental Permit Streamlining Act** (ESB 6188) is the creation of a "Watershed-Based Approach to Environmental Mitigation Subcommittee." This Subcommittee is expected to have representatives from a variety of state agencies and commissions as well as representatives of the building trades and environmental groups. The intention of the Watershed Subcommittee will be to facilitate the development of a watershed-based approach to environmental mitigation for transportation projects and to develop watershed-based mitigation methodologies that meet multiple agency criteria for project permitting.

The agency is cooperating with and providing funding for the "**Salmon and Steelhead Habitat Inventory and Assessment Program**," undertaken by the WDFW. This project involves collecting data and developing a habitat inventory in the Lower Columbia Basin (WRIAs 24-30). DOT assists WDFW with data acquisition and by funding staff time and basic resources. Continued work will result in products that will enable DOT to use WDFW-sponsored habitat prioritizations for stream recovery and protection work. Another benefit of this partnership has been increased cooperation between the two agencies on the issue of eligibility for mitigation enhancement credits.

The **Aquatic Habitat Guidelines** project is a major multi-agency cooperative effort. DOT participates with DFW, DOE, and the US Army Corps of Engineers in the development of a set of science-based guidelines to instream and shoreline projects which should greatly aid watershed-based mitigation in the future. The guidelines should also be an invaluable tool for the watershed planning units in designing habitat restoration projects, and should help add consistency to applications for financial assistance.

The **Uniform Environmental Project Reporting System** (UEPRS) is a web-based computer application containing data related to the funding of environmental projects. It promotes coordination among state agencies that fund or conduct environmental protection, restoration, enhancement, and mitigation activities. It gives agencies the ability to track pertinent project information, supporting a watershed view of projects that affect the environment.

UEPRS provides the capability for all state agencies, local governments, tribes, and non-government organizations to work together in forming partnerships to fund projects that benefit the environment.

Unfortunately, funding has note been provided to allow all agencies to engage and utilize this system. It currently does not include data from DOE.

Flood Management Program takes a watershed-based approach to its data-gathering efforts, aimed at updating floodplain maps and models. This information is critical, not only for emergency management and transportation purposes, but also for restoration and land-use planning purposes.

In this way, DOT is developing data-sharing partnerships at the watershed level with watershed planning units and other local groups. This allows DOT to align transportation needs and mitigation requirements with environmental restoration goals.

Stormwater Program focuses on developing innovative techniques and processes to address stormwater mitigation issues at a watershed scale. A key to this effort is coordination of transportation stormwater mitigation with local watershed planning initiatives.

In this manner, DOT enhances natural values and functions instead of simply mitigating for impacts.

WSDA Participation, Technical Assistance and Support

Department of Agriculture (WSDA) staff are directly participating as members of watershed planning units in the following WRIA's: Lower Columbia, Chehalis/Gray Harbor, Island, and Yakima. As planning unit members WSDA staff are responsible for all activities as outlined in the Watershed Planning Act which have been identified as areas to be addressed by the watershed planning group.

In addition to the direct involvement on the planning unit, staff also participates in the state caucus and provides technical assistance and support to the agencies and other planning units including the following WRIAs: Whatcom, Skagit, Pierce, Clallam, Klickitat, Chelan, Foster Creek, Okanogan, Spokane, Stevens, Pen Oreille, and Walla Walla.

Table 8.

WSDA Resources and FTE's dedicated to watershed planning

Agency	1997-1999 Biennium	1999-2001 Biennium	2001-2003 Biennium	Total
WSDA	0	$240,000 (1.7 FTE)	$240,000 (1.7 FTE)	$480,000

Technical assistance and support includes:

- **Identify** and provide information on agriculture lands and activities.
- **Promote** best management practices related to habitat for clean water and fish.
- **Identify** resource needs of agriculture related to water and land;
- **Provide** linkages with appropriate members of the agriculture community at the watershed and regional level.
- **Provide** public information, education and outreach to constituents within the WRIA to keep them informed and involved in WRIA planning.
- **Help** evaluate and select contractors to perform WRIA assessment activities.
- **Provide** regulatory information and assistance where appropriate; as well as input and assessment of reports completed by WRIA staff and/or consultants.
- **Develop** and review planning unit recommendations.

In addition, staff provides the communication and feedback link for the local watershed planning group to regional and statewide negotiations such as Agriculture, Fish and Water (AFW) that could provide guidance and/or modules that could be incorporated into watershed plans related to agricultural activities and land use.

Staff monitors the activities of the remaining WRIA planning units and responds with either technical assistance and/or support on an as needed basis. Staffing level for the department does not allow staff to fully participate on several critical WRIA planning efforts.

DNR Participation, Technical Assistance and Support

The Department of Natural Resources (DNR) involvement with watershed planning occurs as part of the normal trust land management responsibilities carried out by regional office staff. A request for DNR participation from watershed planning groups is forwarded to the appropriate regional office.

Regional staff, usually an assistant regional manager, will then assess whether state lands are likely to be affected by or should be included in the scope of the watershed planning efforts to determine the level of DNR involvement.

In those watersheds with a significant land base under DNR management, DNR usually attends or monitors watershed committee meetings, provides information available from the department, and reviews draft planning documents.

DNR does not track or quantify its involvement separate from other routine land management activities, and its activity has been reduced

Table 9.

DNR Resources and FTE's dedicated to watershed planning

Agency	1997-1999 Biennium	1999-2001 Biennium	2001-2003 Biennium	Total
DNR	0	$300,000 (1.5 FTE)	$200,000 (1.0 FTE)	$500,000

proportionately this year as part of the department's budget reductions.

DNR has indicated it will continue to participate in the watershed planning efforts where it is part of the department's core land management functions. However, the current budget will not allow for increased involvement, and future budget reductions may further limit the department's ability to participant in and contribute to these efforts.

GSRO Participation, Technical Assistance and Support

The Governors Salmon Recovery Office (GSRO) staff are not direct participants or members of any local watershed planning units.

The three GSRO Regional Coordinators are active as members of several state agency caucuses for specific planning areas and they are a designated point of contact for each planning unit.

The state caucuses that they are most active in are in the Lower Columbia, Upper Columbia and Snake River areas.

These state caucuses relate to and support more than one planning unit in each of these areas.

The GSRO, working with the Joint Natural Resources Cabinet, also is developing statewide tools to help local watershed planning units under the Watershed Planning Act and lead entities under the Salmon Recovery Planning Act (RCW 77.85) relate their activities to statewide and regional activities for salmon recovery.

These tools include: 1) the Guidance on Watershed Assessment for Salmon published in May, 2000; 2) A Reference Guide for Salmon Recovery which will be published by late 2001; and 3) the Roadmap for Salmon Habitat Conservation at the Watershed Level which will also be published in late 2001.

GSRO is also working with the DOE and its contractors to describe and relate these tools to planning units in the Addendum #1 to the Guide for Watershed Planning and Management that is now being completed.

Table 10.

GSRO Resources and FTE's dedicated to watershed planning

Agency	1997-1999 Biennium	1999-2001 Biennium	2001-2003 Biennium	Total
GSRO	0	$117,000 (0.9 FTE)	$195,000 (1.5 FTE)	$312,000

PSWQAT Participation, Technical Assistance and Support

The Puget Sound Water Quality Action Team (PSWQAT) is involved in many different watershed-based activities around the Puget Sound.

The technical support activities reported related to the Watershed Planning Act include:

- **Review** and comment on scopes of work and draft products related to stormwater, water quality and near shore habitat.
- **Participate** in subcommittees related to stormwater, water quality, and near shore habitat.
- **Facilitate** local groups, governments and tribes around water quality issues.
- **Consult** and assistance in educational activities.
- **Provide** linkages to related processes and issues.
- **Participate** on watershed leads interagency group.
- **Provide** Public Involvement and Education (PIE) grants for watershed-related projects to improve and protect the habitat and water quality in Puget Sound watersheds.

Table 11.

PSWQAT resources and FTE's dedicated to watershed planning

Agency	1997-1999 Biennium	1999-2001 Biennium	2001-2003 Biennium	Total
GSRO	0	$46,000 (0.5 FTE)	$46,000 (0.5 FTE)	$92,000

Table 12.

CC resources and FTE's dedicated to watershed planning

Agency	1997-1999 Biennium	1999-2001 Biennium	2001-2003 Biennium	Total
CC	0	$40,000 (0.3 FTE)	$40,000 (0.3 FTE)	$80,000

CC Participation, Technical Assistance and Support

The State Conservation Commission's (CC) primary involvement associated with watershed planning has included making presentations on the Commission's Habitat Limiting Factors project.

This includes assessing factors in a watershed that limit salmon production such as fish passage barriers, water quantity, water quality, etc.

In addition, limited staff involvement is anticipated in reviewing documents being prepared by the local planning units.

OCD Participation, Technical Assistance and Support

The Office of Community Development (OCD) attends state agency coordination meetings held by DOE, and has provided assistance to DOE in developing the Watershed Planning Guidebook.

Other activities in support of watershed planning include:

- **Attend** meetings and review draft watershed plans for the Lower Columbia and Nooksack Watershed.
- **Developed** presentation materials (and completed presentations) on endangered species, watershed planning, State Environmental Policy Act, and the Growth Management Act
- **Produced** power point presentation "Salmon Simple" for Clark County watershed efforts
- **Assisted** in developing a public outreach strategy for the Lower Columbia Ecologically Significant Unit.

Table 13.

OCD resources and FTE's dedicated to watershed planning

Agency	1997-1999 Biennium	1999-2001 Biennium	2001-2003 Biennium	Total
OCD	0	$23,000 (0.3 FTE)	$1,500 (0.02 FTE)	$24,500

State Parks Participation, Technical Assistance and Support

State Parks has no FTE's or dollars formally allocated to watershed planning efforts pursuant to RCW 90.82.

State Parks has designated its Environmental Program Manager as its representative to the state agency caucus, led by the DOE.

The Environmental Program Manager (or designee) attends periodic meetings of the state agency caucus. That individual also serves as the State Parks contact for each and every WRIA planning unit established pursuant to this Act, but State Parks does not have staff resources to participate in the planning units or their support groups or committees.

III. Instream Flow Setting

Instream flows are scientifically based surface water flows set by administrative rule to ensure that adequate water remains in a river for fish and other instream values. Ecology is required by law to protect instream flows by adopting regulations and to manage water uses that affect stream flows. Once adopted, an instream flow rule acquires a priority date similar to that associated with a water right. Water rights existing at the time the instream flow is adopted are unaffected by the rule and those issued after the rule adoption are subject to the requirements of the instream flow rule.

Prior to the Watershed Planning Act the Department of Ecology would start the instream flow setting process by consulting with other natural resource agencies and affected Tribes, to obtain their recommendations. These entities were then invited to take part at every stage of instream flow development: participating in studies, providing data, making recommendations, and reviewing proposed regulations and draft reports.

This instream flow recommendation process will now be done at the watershed planning unit table where all water resource interests are represented. The watershed planning unit will develop recommendations. Ecology will review these recommendations in consultation with affected tribes, WDFW, CTED and Department of Agriculture on all proposed instream flows.

Ecology will develop draft instream flow regulations if the watershed planning unit develops instream flow recommendations that the agency supports. These draft regulations will then be distributed for public comment. In many cases, Ecology conducts public workshops to discuss proposals.

For areas where the planning unit has developed flow recommendations the public outreach on the rule can be done in coordination with the public process for plan adoption. Ecology is also required to hold public hearings to invite official public testimony on the proposed regulations.

Based on the comments received during the public comment period, Ecology either adopts the regulation, or revises it and then repeats the public review process, if necessary, before reconsidering the proposal for adoption.

"If the initiating governments for a planning unit elect not to establish or amend instream flows as part of the unit's planning process, the department shall retain one hundred thousand dollars to carry out an assessment to support establishment of instream flows and to establish such flows in accordance with RCW 90.54.020(3)(a) and chapter 90.22 RCW."

Ecology expects that there will be approximately 30 WRIAs that will request $100,000 for making instream flow recommendations. This will surpass the $2.1 M provided for this work."

– HB 1832

HB 1832 states that by "December 1, 2001 or within one year of initiating phase one of watershed planning, whichever occurs later, the initiating governments must inform the department whether they intend to have the planning unit establish or amend instream flows as part of its planning process."

The Department of Ecology is currently soliciting grants which will be due October 1, 2001 from planning units that know that they want to make instream flow recommendations and are ready to start the work.

Copies of those grant applications are attached. Another round of instream flow grant applications will be due after the December 1, 2001 deadline.

At present, it appears that there will be close to 30 water resource inventory areas that will submit instream flow grant applications.

This will mean that the state will need to get prepared to write and go through the rule development process for up to 30 new instream flow rules starting in the fall of 2002.

Ecology currently only has one rule writer for instream flows. Additional staff will be needed in order to meet these instream flow rule writing obligations.

Prior to the passage of HB 1832 there were already 28 WRIAs that indicated they were going to include instream flow recommendations in their plans. The following planning units have already invested significant resources towards setting flows in their watershed:

WRIA 1 Nooksack

WRIA 3/4 Upper/Lower Skagit

WRIA 18 Elwha/Dungeness

WRIA 46 Entiat

Please see Appendix E for details on their instream flow work.

Table 14.

Twenty basins already have instream flows set or are closed to additional water appropriation:

The Columbia River System	WRIA 13 Deschutes
WRIA 1 Nooksack	WRIA 14 Kennedy/Goldsborough
WRIA 3 Lower Skagit	WRIA 15 Kitsap
WRIA 4 Upper Skagit	WRIA 22 Lower Chehalis
WRIA 7 Snohomish	WRIA 23 Upper Chehalis
WRIA 8 Cedar/Sammamish	WRIA 45 Wenatchee
WRIA 9 Duwamish/Green	WRIA 48 Methow
WRIA 10 Puyallup/White	WRIA 49 Okanogan
WRIA 11 Nisqually	WRIA 55 Little Spokane
WRIA 12 Chambers/Clover	WRIA 59 Colville

Initiating governments in these basins have the option of amending the flows.

Ecology has hired one additional staff person in their Northwest Regional Office to carry out the instream flow work in the Central Puget Sound basins not engaged in planning under the Watershed Planning Act. They will add one person in our Eastern Regional Office for the eastern portion of the state.

There are six watersheds not engaged in watershed planning under the Watershed Planning Act in which instream flow work may occur:

WRIA 5 Stilliguamish

WRIA 8 Cedar Sammamish*

WRIA 9 Green Duwamish*

WRIA 10 Puyallup White*

WRIA 35 Middle Snake/Walla Walla

WRIA 49 Okanogan*

* **Note:** WRIAs 8, 9, 10, and 49 have existing instream flows and / or instream flow plans. Ecology will informally assess the status, and prospects of instream flows in the six watersheds. They will consider their readiness to proceed, additional work that has been completed, and other factors. They will consult and engage the appropriate interested parties in selected watersheds to reaffirm existing flows, amend existing flows, or set new flows.

Plan Implementation

In the fall of 2003 the first set of watershed plans will be complete. By the end of the 01-03 Biennium the state will have invested approximately $35.3 million in developing local watershed plans since passage of the Watershed Planning Act.

Watershed plan implementation will require a substantial public investment to accomplish goals established in state law, and to fund the local priorities related to watershed management. The state has not identified a fund source to support the implementation of watershed plans.

Phase Four Implementation Committee Funding Recommendations

There is significant concern by many of these local planning units that they will develop strategies and make difficult decisions on water management and the state will not have identified a fund source or the needed solutions for implementation (Phase Four).

In recognition of this concern, and the significant investments made to date, the Legislature directed Ecology in the 2001-2003 Operating Budget to "create a blue ribbon panel to develop long-term watershed planning implementation funding options."

The Department of Ecology will hire a third-party contractor to facilitate and convene a committee of key stakeholders to identify funding options for the implementation of watershed plans. This committee will be broadly representative of affected stakeholders, the legislature, county and city governments and other local jurisdictions, tribal governments and the general public interest.

Ecology has already met with the following stakeholders to have them serve as the advisory committee on how to design the process and identify the participants for this committee:

WA Water Resources Association

WA Public Utility Districts

WA Assoc. of Counties

WA Sewer and Water Districts

Assoc. WA Cities

Northwest Indian Fisheries Commission

The notes from that first meeting are in Appendix D. The department expects to have funding options identified in a report to the legislature by fall 2002.

In addition to the costs associated with the implementation of these watershed plans there will be a significant amount of work involved with putting instream flow recommendations into rule. As noted above, Ecology anticipates that up to 30 WRIAs will develop instream flow recommendations that will require action by the agency to

put those recommendations into state rule. Finally, RCW 90.82 states:

> "If approval is not achieved within four years of the date the planning unit first receives funds from the department for conducting watershed assessments under RCW 90.82.040, the department may promptly initiate rule making under chapter 34.05 RCW to establish flows for those streams and shall have two additional years to establish the instream flows for those streams for which approval is not achieved."

Currently the state does not have adequate resources for this level of instream flow setting activities.

SEPA TEMPLATE

Local plans developed under the Watershed Planning Act are required to comply with the State Environmental Policy Act (SEPA).

It is expected that these plans will obligate the Department of Ecology to issue draft rules for comprehensive watershed management and for setting instream flows.

Ecology is preparing a statewide SEPA document that will provide the foundation for local and state SEPA compliance and for Ecology's implementation obligations in the plans.

Ecology has already met with several lead agencies to discuss what form this document should take to provide the most assistance. There was uniform agreement that the document should be a generic Environmental Impact Statement for the water management methodologies that planning units are required to address.

The instream flow programmatic EIS and this document will be closely linked.